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Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
USA

Re: ***Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions***¹

Dear Ms. Dortch:

TELUS Communications Company (“TELUS”)² has reviewed the submissions to date made by parties pursuant to the above-noted proceeding. In the NPRM, the Federal Communications Commission (“Commission”) noted that designing systems of competitive bidding under section 309(j)(3)(B) of the *Communications Act*,³ require the Commission to “promot[e] economic opportunity and competition and ensur[e] that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses.”⁴ As such, the Commission has sought comments on what, if anything, it should do to meet the statutory requirements of section 309(j)(3)(B) and whether the direction to avoid excessive concentration of licenses “might militate in favor of a rule that permits any single participant in the auction to acquire no more than one-third of all 600 MHz spectrum being auctioned in a given licensed area.”⁵

As the Commission is aware, the issue of providing advantageous conditions to benefit certain bidders in spectrum auctions is also a matter of significant debate and discussion in Canada. TELUS notes that in the NPRM, T-Mobile USA, Inc. pointed to the Canadian government’s spectrum cap rules put in place with respect to the upcoming Canadian 700 MHz band auction. T-Mobile uses this example to demonstrate that other

¹ Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, *Notice of Proposed Rulemaking*, 27 FCC Rcd 12357 (2012) (“NPRM”).

² TELUS is a provider of communication and wireless solutions in Canada. Its parent corporation, TELUS Corporation, holds a FCC section 214 license. Its affiliate company, TELUS Communications (U.S.) Inc., operates in the United States.

³ 47 U.S.C. § 309(j)(3)(B).

⁴ NPRM at ¶ 383.

⁵ *Id.*, at ¶ 384.

countries have implemented spectrum cap rules similar to what the Commission has proposed, thereby supporting T-Mobile's position that the Commission should "adopt rules in this proceeding to curtail the further consolidation of spectrum suitable for mobile broadband applications."⁶

TELUS observes that many parties in the NPRM oppose any caps or stated limits on parties wishing to obtain 600 MHz spectrum. As an example, Verizon and Verizon Wireless state that there is no basis for the Commission to "give certain large companies a regulatory hand-out...so they can acquire spectrum in the forward auction at a substantial discount over the price that would otherwise be received."⁷ Verizon and Verizon Wireless urge the Commission to reject "protectionist" regulation, given that it would "directly reduce auction revenue, would fail to ensure that spectrum is put to its highest and best use, and would facilitate arbitrage activity."⁸

In light of these comments, and given that the important issues being addressed by the Commission in this NPRM are very similar in substance to issues under debate in Canada, TELUS inquires whether the Commission, consistent with Section 309(j)(3)(B), will put into place any protections to ensure meaningful competition for the available spectrum on a level playing field? Specifically, will the Commission consider providing special incentives to smaller entrants to allow them to better compete against the larger incumbents? Alternatively, will the Commission consider setting limits on the amount of spectrum available to the incumbents during the auction to assist smaller entrants? TELUS appreciates the Commission's consideration of these questions and looks forward to the Commission's response.

Yours truly,



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⁶ *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket 12-268, Reply Comments of T-Mobile at 39-40.

⁷ *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket 12-268, Reply Comments of Verizon and Verizon Wireless at 27-28.

⁸ *Id.*